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THE REPUBLIC OF THE UNION OF MYANMAR

The Myanmar Investment Commission

PERMIT

Sr. No. 3029-S
Dated. 18-3-2013

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★

Permit No. 567/2013

Date 18, MARCH 2013

The Myanmar Investment Commission issues this Permit under section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Investor/Promoter MR. SOMCHAI LOTHARUKPONG

(b) Citizenship THAILAND

(c) Address NO. (602/50), SOI SATHUPRADIT 48, SATHUPRADIT ROAD BANGPONG, YANNAWA BANGKOK 10120, THAIILAND

(d) Name and Address of principal Organization -

(e) Place of incorporation -

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENT ON CMP BASIS

(g) Place(s) at which investment is permitted BLOCK NO.574, LOT NO.2/3 KA+3/1 KHA+2/4 KA, KYUNN TAW NORTH BLOCK, SATTHWARDAW VILLAGE, HMAWBI TOWNSHIP, YANGON REGION

(h) Amount of foreign capital US$ 0.44 MILLION

(I) Period for bringing in foreign capital WITHIN (1)YEAR FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 0.5 MILLION

(k) Construction period 6 MONTHS

(l) Permitted duration of investment 10 YEARS

(m) Form of investment JOINT VENTURE

(n) Name of the economic organization to be formed in Myanmar MYANMAR S.M.C GARMENT LIMITED

Chairman

The Myanmar Investment Commission

ပြည်ထောင်စုသမ္မတမြန်မာနိုင်ငံတော်
မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်
ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၅၆၇/၂၀၁၃ ၂၀၁၃ ခုနှစ်၊ မတ်လ ၂၈ ရက်

ပြည်ထောင်စုသမ္မတ မြန်မာနိုင်ငံတော်နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၃)ပုဒ်မခွဲ(ခ) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

- (က) ကမကထပြုသူ၏အမည် MR. SOMCHAI LOTHARUKPONG
- (ခ) နိုင်ငံသား THILAND
- (ဂ) နေရပ်လိပ်စာ NO.(602/50) SOI SATHUPRADIT 48, SATHUPRADIT ROAD, BANGPONG, YANNAWA BANGKOK 10120, THILAND
- (ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ -
- (င) ဖွဲ့စည်းရာအရပ် -
- (စ) ရင်းနှီးမြှုပ်နှံသည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ခြင်းလုပ်ငန်း
- (ဆ) ရင်းနှီးမြှုပ်နှံသည့်အရပ်ဒေသ(များ) ကွင်းအမှတ်၅၄၇၊ ဦးပိုင်အမှတ် (၂/၃က + ၃/၁ခ+ ၂/၄က)၊ ကျွန်းတောမြောက်ကွင်း၊ ဆပ်သွားတောကျေးရွာ၊ မှော်ဘီမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး
- (ဇ) နိုင်ငံခြားမတည်ငွေရင်း ပမာဏ အမေရိကန်ဒေါ်လာ ၀.၄၄ သန်း
- (ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင်ခွင့်ပြုမိန့်ရရှိပြီး (၁)နှစ်အတွင်း
- (ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၀.၅ သန်းနှင့် ညီမျှသော မြန်မာကျပ်ငွေ
- (ဋ) တည်ဆောက်မှုကာလ ၆ လ
- (ဌ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၀ နှစ်
- (ဍ) ရင်းနှီးမြှုပ်နှံမှုပုံစံ ဖက်စပ်လုပ်ငန်း
- (ဎ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် MYANMAR S.M.C GARMENT LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

THE REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-741/2013(3629-5)
Dated : 18th March 2013

Tel: 067- 406334, 406075
Fax: 95-67-406333

Subject: **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis" under the name of "Myanmar S.M.C Garment Limited".**

Reference: Myanmar S.M.C Garment Limited Letter dated (15.10.2012)

1. The Myanmar Investment Commission, at its meeting (9/2013) held on (27-2-2013) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis" under the name of "Myanmar S.M.C Garment Limited" submitted as a joint venture between Mr. Somchai Lotharukpong (88 %) of Thailand and Daw Sandar Nyein (12 %) of the Republic of the Union of Myanmar.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VII, Section 13(b) of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VIII, Rule 48 of the Foreign Investment Rules relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 10 (Ten) years for commencing from the date of signing of the Lease Agreement for land and building and extendable for another 5 (Five) years 2 (Two) times period by mutual agreement between Daw Sanda Nyein and Myanmar S.M.C Garment Limited. At the end of the Lease Agreement for land and building, Myanmar S.M.C Garment Limited shall transfer the leased land and building (immovable properties) to the lessor in good condition.

4. The annual rent for the building shall be US$ 10,700 (United States Dollar ten thousand, seven hundred only) for 10 years calculated at the

rate of US$ 7.2 per square meter per year of the main factory area 1,485 square meter (0.367 acres) and US$ 5,300 at the rate of US$ 5.00 per square meter per year of the land area 1,065 square meter (0.263 acres). The rate of rent shall be revised in view of prevailing land lease rates after 5 (Five) years period and increase of the rent shall not be more than 15 % of the preceding annual rent.

5. Since it was recorded that Myanmar S.M.C Garment Limited operated under Myanmar Citizens Investment Law had started the commercial operation with effect from the date 19th December 2008, the period of 36 (thirty six) consecutive months starting from the month of commencement of commercial operation to enjoy privileges for income tax exemption as stipulated in section 21 (a) of the Union of Myanmar Foreign Investment Law was expired (terminated) on 18th December 2011. In this regards, Myanmar S.M.C Garment Limited shall have no right to enjoy the tax exemption conferred by the Republic of the Union of Myanmar Foreign Investment Law.

6. In issuing this "Permit," the Commission has granted, the followings, exemptions and reliefs as per Section 27(j) of the Republic of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under section 27 shall have to be applied upon the actual performance of the project;

(a) As per section-27(j), if the volume of investment is increased with the approval of the Commission and the original investment business is expanded during the permitted period, exemption or relief from customs duty or other internal taxes or both on machineries, equipments, instruments, machinery components, spare parts and materials used in the business which are imported as they are actually required to use in the business expanded as such;

7. Daw Sanda Nyein shall have to sign the Joint Venture Agreement with Mr. Somchai Lotharukpong and the Lease Agreement for land and building with Myanmar S.M.C Garment Limited. After signing such Agreement, (5) copies shall have to be forwarded to the Commission.

8. Myanmar S.M.C Garment Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Myanmar S.M.C Garment Limited has to abide by Chapter X, Rule 56 and 57 of the Foreign Investment Rules for construction period.

10. As per Chapter X, Rule 59, extension of construction period shall not be granted more than once expect it is due to unavoidable events such as natural disasters, instabilities, riots, strikes, emergency of State condition, insurgency, and outbreak of wars.

11. As per Chapter X, Rule 61, if the investor cannot construct completely in time during the construction period or extension period, the Commission will have to terminate the permit issued to the investor and there is no refund for the expenses of the project.

12. The commercial date of operation shall be reported to the Commission.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal and also in accordance with Chapter XI section 24 and section 25 of the Republic of the Union of Myanmar Foreign Investment Law and the investor has to follow the exisiting Labour Laws for the recruitment of staff and labour in accordance with Chapter XIII Rule 81 of the Foreign Investment Rules.

14. In order to evaluate foreign capital and for the purpose of its registration in accordance with the provisions under Chapter XV section 37 of the Republic of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened and defined under Chapter XI Rule 133 and 134 of the Foreign Investment Rules;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(i) of the said Law, other than foreign currency.

15. Myanmar S.M.C Garment Limited brings in foreign capital defined under Section 2(i) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. Myanmar S.M.C Garment Limited has the right to make account transfer and expend the foreign currency from his bank account in accordance with Chapter XI Rule 137 and for transfer of local currency generated from the business to the local currency account opened at the bank by a citizen or a citizen or a citizen-owned business in the State and right to transfer back the equivalent amount of foreign currency from the foreign currency bank account of citizen or citizen-owned business by submitting the sufficient document in accordance with Chapter XVII, Rule149 of the Foreign Investment Rules.

17. Myanmar S.M.C Garment Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar S.M.C Garment Limited shall be responsible for the preservation of the environment at and around the area of the project site. In addition, Myanmar S.M.C Garment Limited shall responsible to abide by the Myanmar Environmental Conservation Law, rule & regulations under the Ministry of Environmental Conservation and Forestry.

19. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Myanmar S.M.C Garment Limited.

20. Myanmar S.M.C Garment Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter XII, Rules 77 and 78 of the Foreign Investment Rules.

(Soe Thane)
Chairman

Myanmar S.M.C Garment Limited

cc: 1. Office of the Union Government of the Republic of the Union of Myanmar
2. Office of the Yangon Region Government
3. Ministry of National Planning and Economic Development
4. Ministry of Finance and Revenue
5. Ministry of Commerce
6. Ministry of Industry
7. Ministry of Foreign Affairs

8. Ministry of Home Affairs
9. Ministry of Immigration and Population
10. Ministry of Labour, Employment and Social Security
11. Ministry of Electric Power
12. Ministry of Environmental Conservation and Forestry
13. Chairman, CMP Enterprises Supervision Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Directorate of Industrial Supervision and Inspection
16. Director General, Directorate of Human Settlement and Housing Development
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Director General, Department of Environmental Conservation
27. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)